

# Exhibit 5

Page 1

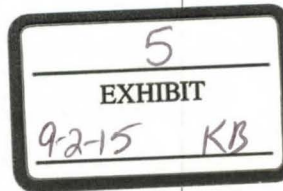
1 UNITED STATES OF AMERICA  
 2 BEFORE THE  
 3 COMMODITY FUTURES TRADING COMMISSION  
 4  
 5 IN THE MATTER OF: )  
 6 )  
 7 DRW TRADING GROUP and )  
 8 DRW INVESTMENTS, LLC )  
 9  
 10 Examination under oath of GARRY O'CONNOR,  
 11 taken pursuant to subpoena and the rules of the  
 12 U.S. Commodity Futures Trading Commission,  
 13 reported by Rhonda Snyder, a Certified Shorthand  
 14 Reporter, Illinois CSR License No. 84-3421, at 525  
 15 West Monroe Street, Suite 1100, Chicago, Illinois,  
 16 commencing at 9:10 a.m. on Wednesday, February 29,  
 17 2012.  
 18  
 19  
 20  
 21  
 22  
 23 SUSAN SOBLE ASSOCIATES, P.C.  
 24 Certified Shorthand Reporters  
 1460 N. Clark Street, Chicago, IL 60610  
 (312) 988-9868

Page 2

1 PRESENT:  
 2  
 3 U.S. Commodity Futures Trading Commission  
 4 Division of Enforcement  
 5 MS. JENNIFER E. SMILEY, Senior Trial Attorney  
 6 MR. ALEX C. LEVINE, Senior Trial Attorney  
 7 525 West Monroe Street, Suite 1100  
 8 Chicago, Illinois 60661  
 9 (312) 596-0700  
 10  
 11 On behalf of the CFTC,  
 12  
 13 ARNOLD & PORTER  
 14 MR. DAN WALDMAN  
 15 555 12th Street, N.W.  
 16 Washington, D.C. 20004  
 17 (202) 942-5804  
 18  
 19 -and-  
 20  
 21 SUSMAN GODFREY, LLP  
 22 MR. SETH ARD  
 23 560 Lexington Avenue, 15th Floor  
 24 New York, New York, 10022  
 (212) 471-8354  
 On behalf of the Witness.

Page 3

1 I N D E X  
 2  
 3 WITNESS PAGE LINE  
 4 GARRY O'CONNOR  
 5 Examination By Ms. Smiley 4 7  
 6  
 7 EXHIBITS  
 8 EXHIBITS PAGE LINE  
 9 Commission Exhibit No. 1 6 21  
 10 Commission Exhibit No. 47 35 7  
 11 Commission Exhibit No. 61 50 23  
 12 Commission Exhibit No. 62 6 10  
 13 Commission Exhibit No. 63 29 1  
 14 Commission Exhibit No. 64 38 1  
 15 Commission Exhibit No. 65 43 8  
 16 Commission Exhibit No. 66 50 23  
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1 MS. SMILEY: Let's go on the record at 9:07.  
 2 Could you please swear the witness?  
 3 GARRY O'CONNOR,  
 4 having been first duly sworn was  
 5 examined and testified as follows:  
 6 EXAMINATION  
 7 BY MS. SMILEY:  
 8 Q. Mr. O'Connor, could you please state and  
 9 spell your name for the record?  
 10 A. Garry Neil O'Connor. G-a-r-r-y, N-e-i-l,  
 11 O-'-C-o-n-n-o-r.  
 12 Q. Mr. O'Connor, my name is Jennifer Smiley.  
 13 I'm an attorney with the Enforcement Division at  
 14 the Commodity Futures Trading Commission and I'm  
 15 here with my colleague Alex Levine who is also an  
 16 attorney with the Enforcement Division. And your  
 17 testimony today is under oath. It's also under the  
 18 penalty of perjury.  
 19 If you do not understand a question that I  
 20 ask for any reason, please just let me know and  
 21 I'll be happy to repeat it or rephrase it.  
 22 Otherwise I'll presume that if you answer a  
 23 question, you understood what I was asking, okay?  
 24 A. Okay.



<p style="text-align: right;">Page 17</p> <p>1 A. Well, I drew on my previous experience as  2 an interest rate derivatives trader and what I  3 understood to be industry standards about valuation  4 of these types of contracts.  5 Q. Were there specific decisions that you  6 made about how IDCG should approach the valuation  7 of these contracts?  8 A. Yeah, the guidance was to build a  9 valuation tool that was transparent and  10 replicatable, so we made decisions to try and  11 achieve that.  12 Q. What sort of decisions did you make that  13 would help make it transparent and replicatable?  14 A. We decided to use FRA contracts rather  15 than Eurodollar contracts. We decided to use a  16 LIBOR-based discount factor. We decided on various  17 interpolation schemes that were widely used and  18 well understood.  19 Q. About what time frame are we talking about  20 when you were working on developing these contracts  21 and valuations?  22 A. This was done as part of the DCO  23 application process so this was late 2008.  24 Q. Did you come to have a different title</p>	<p style="text-align: right;">Page 19</p> <p>1 have has already been designed so the  2 responsibility for that is more procedural now  3 rather than true design work so there's not very  4 much of that.  5 Q. Are you still involved in educating  6 potential participants?  7 A. Yes.  8 Q. What do you do in that respect?  9 A. I think that involves meetings with  10 potential participants and describing how IDCG  11 operates and why we operate the way that we do.  12 Q. I want to talk a little bit about -- first  13 of all, we've been talking about IDCG. What does  14 that stand for?  15 A. International Derivatives Clearing Group.  16 Q. And there's also IDCH?  17 A. Yes.  18 Q. What does that stand for?  19 A. International Derivatives Clearinghouse.  20 Q. What is the relationship between those  21 two?  22 A. IDCG is a holding company primarily. IDCH  23 is the clearinghouse and is where the DCO order is  24 held.</p>
<p style="text-align: right;">Page 18</p> <p>1 with IDCG at some point?  2 A. Yes. I became the chief product officer.  3 Q. When was that?  4 A. I believe that that was early 2009.  5 Q. Did that involve any additional  6 responsibilities other than what you've already  7 been describing?  8 A. No. I think it reflected the  9 responsibilities that I already had.  10 Q. Have you held any other positions with  11 IDCG?  12 A. I'm currently the chief executive officer  13 and I have been since January 2010.  14 Q. As CEO what responsibilities do you have?  15 A. I have overall responsibility for the  16 direction and management of the company.  17 Q. Sure. And in particular what are your  18 day-to-day responsibilities?  19 A. I'm not sure as a CEO that I have  20 day-to-day responsibilities.  21 Q. All right. Fair enough. All right. Are  22 you still involved in product design issues?  23 A. Yes. I do still get involved in product  24 design issues although most of the product that we</p>	<p style="text-align: right;">Page 20</p> <p>1 Q. Turning to then IDCG I want to talk a  2 little bit about settlement prices and how those  3 get calculated in the interest rate swap futures  4 products on IDCH. How did IDCH calculate  5 settlement prices both for the OTC and then on the  6 exchange?  7 A. So for both futures products, which is I  8 think what you mean by on the exchange.  9 Q. Right.  10 A. So for futures products and for swap  11 products we use a two-step approach of implying  12 unknown future interest rates and then discounting  13 the implied unknown and the known interest payments  14 back to today's terms using a discount curve.  15 Q. Were there differences between the way  16 that the settlement was calculated in the OTC arena  17 versus on the exchange?  18 A. There are. Primarily that relates to the  19 form of the discount factor generation. So in the  20 futures environment the discount factors were LIBOR  21 based. In the swap environment the discount  22 factors were Fed funds based.  23 Q. Were you involved in decisions of what  24 discount factors to use?</p>

<p style="text-align: right;">Page 21</p> <p>1 A. Yes.</p> <p>2 Q. And what was the reason for using</p> <p>3 different discount factors in the two different</p> <p>4 areas?</p> <p>5 A. The futures environment was developed</p> <p>6 first and there was a desire to keep the valuation</p> <p>7 tools as simple and as transparent as possible.</p> <p>8 The swap environment was developed later and the</p> <p>9 industry had moved towards Fed funds type</p> <p>10 discounting as a standard approach. The futures</p> <p>11 environment did not include price alignment</p> <p>12 interest adjustment. The swap environment did.</p> <p>13 Q. Price alignment interest, what does that</p> <p>14 mean?</p> <p>15 A. Price alignment interest is an adjustment</p> <p>16 to variation margin to reflect the cost of funding</p> <p>17 cumulative collateral.</p> <p>18 Q. Why was that not applied in the futures</p> <p>19 environment but applied in the swaps environment?</p> <p>20 A. There were three main reasons why we did</p> <p>21 not include PAI in the futures environment. We</p> <p>22 thought it was unnecessary, we thought it was</p> <p>23 complex, and the clients that we were targeting</p> <p>24 were vocal that they did not want it in their</p>	<p style="text-align: right;">Page 23</p> <p>1 order to be successful required PAI to be in the</p> <p>2 model as a prerequisite to joining as clearing</p> <p>3 members.</p> <p>4 Q. In terms of the calculation of settlement</p> <p>5 prices in the futures environment how did active</p> <p>6 bids on the exchange affect the calculation of</p> <p>7 settlement prices?</p> <p>8 A. Exchange pricing was given precedence in</p> <p>9 determining the inputs to the curve to determine</p> <p>10 settlement prices. From memory, that was a</p> <p>11 three-stage process. Relatively tight bid/offers,</p> <p>12 a midpoint would be used. Why the bid/offers where</p> <p>13 there had been recent transaction history, the</p> <p>14 recent transaction history would be used. And</p> <p>15 where there were only bids or offers, they would</p> <p>16 bound the curve.</p> <p>17 Q. Just to be sure I got that, you said there</p> <p>18 were three different factors, there were relatively</p> <p>19 tight bid/offers and the midpoint of those would</p> <p>20 be, was that sort of the primary factor or were you</p> <p>21 giving the factors in order of precedence?</p> <p>22 A. The factors are, as I recall them, and,</p> <p>23 yes, I gave them in their order of precedence.</p> <p>24 Q. In terms of bids and offers that would</p>
<p style="text-align: right;">Page 22</p> <p>1 clearing solution.</p> <p>2 Q. Who were those clients that were vocal</p> <p>3 about not wanting it?</p> <p>4 A. The asset management working group of</p> <p>5 SIFMA, that was a working group looking</p> <p>6 specifically at clearing of OTC product, as a</p> <p>7 collective group were vocal about not wanting PAI.</p> <p>8 Various people within that group and outside of</p> <p>9 that group individually spoke to us about not</p> <p>10 wanting to have PAI.</p> <p>11 Q. Did they give reasons for why they felt</p> <p>12 that PAI was not something that they wanted</p> <p>13 applied?</p> <p>14 A. I think their reasons were the same as</p> <p>15 ours, that it was an unnecessary complication to</p> <p>16 the clearing process.</p> <p>17 Q. But IDCH does apply a PAI adjustment in</p> <p>18 the swaps environment, correct?</p> <p>19 A. Yes.</p> <p>20 Q. Why was the decision made to use that in</p> <p>21 that environment?</p> <p>22 A. The end users who were vocal about not</p> <p>23 wanting to have PAI did not support our futures</p> <p>24 platform, and the clearing members who we needed in</p>	<p style="text-align: right;">Page 24</p> <p>1 figure into the pricing curve did that include any</p> <p>2 voice bids through brokers or was that limited to</p> <p>3 bids that were streamed electronically into the</p> <p>4 exchange?</p> <p>5 A. We used traditional OTC levels which are a</p> <p>6 conglomerate of voice broker and other dealer</p> <p>7 indications.</p> <p>8 Q. So to the extent that bids through voice</p> <p>9 brokers affected the OTC levels, that would affect</p> <p>10 the settlement price?</p> <p>11 A. Unless it was overruled by exchange</p> <p>12 activity, yes.</p> <p>13 Q. If there was activity on the exchange,</p> <p>14 that would overrule the OTC levels?</p> <p>15 A. Yes.</p> <p>16 Q. Were you involved in any discussions or</p> <p>17 recruitment efforts to get Jefferies &amp; Company to</p> <p>18 trade on the exchange or to clear through the</p> <p>19 exchange?</p> <p>20 A. I was involved with discussions to get</p> <p>21 Jefferies to use the clearinghouse.</p> <p>22 Q. What clearinghouse was that?</p> <p>23 A. IDCH.</p> <p>24 Q. So what was the time frame of those</p>

# Exhibit 6

**From:** Brian Vander Luitgaren <bvander@DRWHoldings.com>  
**Sent:** Friday, July 23, 2010 5:23 PM  
**To:** Samuel Stephenson <sstephenson@DRWHoldings.com>  
**Subject:** Fwd: Cleared swaps



Fyi

Sent from my iPhone

Begin forwarded message:

**From:** "Donald Wilson" <[DonaldWilson@DRWHoldings.com](mailto:DonaldWilson@DRWHoldings.com)>  
**Date:** July 23, 2010 1:54:20 PM CDT  
**To:** <[neal.brady@thirdstonepartners.com](mailto:neal.brady@thirdstonepartners.com)>, "Jeffrey Levoff" <[JLF@DRWHoldings.com](mailto:JLF@DRWHoldings.com)>, "Jennifer Wilson" <[jwilson@DRWHoldings.com](mailto:jwilson@DRWHoldings.com)>, "Yuhua Yu" <[yyu@DRWHoldings.com](mailto:yyu@DRWHoldings.com)>, "Brian Vander Luitgaren" <[bvander@DRWHoldings.com](mailto:bvander@DRWHoldings.com)>, "Barry Mendeloff" <[bmendeloff@DRWHoldings.com](mailto:bmendeloff@DRWHoldings.com)>, "Joe Meissner" <[jmeissner@DRWHoldings.com](mailto:jmeissner@DRWHoldings.com)>, <[david.boberski@cmegroup.com](mailto:david.boberski@cmegroup.com)>, "Kevin Kroeger" <[kkroeger@DRWHoldings.com](mailto:kkroeger@DRWHoldings.com)>  
**Subject:** Cleared swaps

We need to make a concerted effort to get these initiatives fully functional now. This is the beginning of what we have been talking about for years, but we need to get it right!!

I have asked Kevin Kroeger to help with overall coordination. Cleared swap priorities:

#1 priority is to agree on the daily settlement framework and off-market swap trading framework for Eris's existing contract spec. Goal is to have this agreed to and DOCUMENTED by Monday morning. Dave Boberski and Neal to take the lead, working with Yuhua, who is responsible for theoretical accuracy, Sam for back-office logic, Barry and Joe Meissner and Brian Vander for practitioner's view. Kevin to help coordinate as needed. I will also be checking in. This includes ensuring we are comfortable with the derivation of the convexity biased curve, and our internal procedures for generating the curve.

#2 is to do an eris test trade as soon as newedge will let us. Vander and Sam are in charge of this.

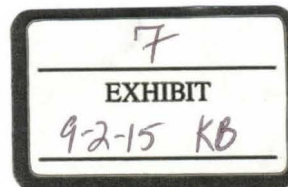
DRW only: #3 priority is to finish the alternative contract specs. This is lead by Yuhua and Jeff Levoff. The others do not need to be involved in this. Goal is to file by a week from today. I will be available to help.

DRW only: #4 priority is to really understand idcg. Confirm the contract has full convexity bias (despite the fact they will force it to settle at non-convexity biased prices). Do a one-lot test trade next week etc. Vander is in charge of this, working with yuhua, barry, kevin.

#5 priority is to do a convexity bias writeup for the eris contract highlighting the issue and extent of it by the 6th of august. I am open to suggestions on who takes the lead on this.

I will try to be available, especially to help get #1 right by Monday.

# Exhibit 7



**From:** Ferber, Laurie (NY Int) <LFERBER@mfglobal.com>  
**Sent:** Wednesday, February 2, 2011 2:25 PM  
**To:** 'John.Shay@idcg.com'; Cantor, Lauren (NY Int) <LCANTOR@mfglobal.com>; Young, John (NY Int) <jyoung@mfglobal.com>; Mahoney, Jack (NY Int) <JMAHONEY@mfglobal.com>  
**Cc:** 'Matthew.Guadagno@idcg.com'; 'Garry.O'Connor@idcg.com'; 'Michael.Dundon@idcg.com'  
**Subject:** Re: We have an issue

John - I would suggest this is not the moment to be marketing to us about MF's increased involvement. We believe you have a serious issue with the prices being shown, and potentially market manipulation, which has to be addressed for your own best interests and certainly before we do anything with IDCG.

Of course, I'm confident you will address this. I would suggest that Dundon and Garry need to speak with Lauren Cantor.

Thanks,  
 Laurie

---

**From:** John Shay  
**To:** Cantor, Lauren (NY Int); Young, John (NY Int); Mahoney, Jack (NY Int); Ferber, Laurie (NY Int)  
**Cc:** Matthew Guadagno ; Garry O'Connor ; Michael Dundon  
**Sent:** Wed Feb 02 15:18:00 2011  
**Subject:** RE: We have an issue

Lauren- I know we've been trying to get you guys connected to the API since inception ( Dec-08)- Given current activity on the screens is this something that you would like expedited?

Please advise on how you'd like to proceed please as OMNet API is something you guys are very familiar with.

All prior IDCG activity was done Off Screen and then EFS'd into IDCH- maybe we should have a quick meeting as soon as possible to discuss the exchange environment and developments?

John

---

**From:** Cantor, Lauren (NY Int) [mailto:LCANTOR@mfglobal.com]  
**Sent:** Wednesday, February 02, 2011 2:56 PM  
**To:** John Shay; Young, John (NY Int); Mahoney, Jack (NY Int); Ferber, Laurie (NY Int)  
**Cc:** Matthew Guadagno  
**Subject:** RE: We have an issue

I just spoke to Marc Katz at Newedge and Hull. NO one can get me a price. 2 minutes ago. WHERE IS MY BID???????????

---

**From:** John Shay [mailto:John.Shay@idcg.com]  
**Sent:** Wednesday, February 02, 2011 2:30 PM  
**To:** Cantor, Lauren (NY Int); Young, John (NY Int); Mahoney, Jack (NY Int)  
**Cc:** Gerard Kopera; Michael Miller; Matthew Guadagno  
**Subject:** RE: We have an issue

Lauren-

Matt will be calling you in 4 minutes- if you need immediate attention – our Market Ops team – copied here – can

handle.

John

---

John C. Shay  
Founder, Head of Sales and Marketing  
IDCG, LLC.  
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New York, NY  
10022  
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---

**From:** Cantor, Lauren (NY Int) [mailto:LCANTOR@mfglobal.com]  
**Sent:** Wednesday, February 02, 2011 2:20 PM  
**To:** Young, John (NY Int); Mahoney, Jack (NY Int); John Shay  
**Subject:** We have an issue

We are attempting to contact IDCG and NO ONE has called us back. We have an issue.

---

**Lauren Eve Cantor**  
Principal Strategies Group

MF Global, Fixed Income  
55 East 52nd Street, 39th Floor  
New York, NY 10055  
T: 212.589.6520  
F: 212.935.2223  
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[www.mfglobal.com](http://www.mfglobal.com)

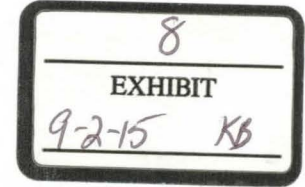
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# Exhibit 8

WILSON/FERBER TELEPHONE CONVERSATION  
FRIDAY, FEBRUARY 4, 2011



1 MR. WILSON: Hello?

2 MS. FERBER: Hi, Don?

3 MR. WILSON: Hi.

4 MS. FERBER: Hey, how are you?

5 MR. WILSON: Okay.

6 MS. FERBER: All right, so, you know, hopefully you got the  
7 message that I was asked to call you 'cause Peter's traveling  
8 all day today.

9 MR. WILSON: Yeah.

10 MS. FERBER: So, I actually think you two should keep talking  
11 about it when he's back, but I did not want to leave you hanging  
12 and wanted to, to make the call.

13 MR. WILSON: Okay.

14 MS. FERBER: So --

15 MR. WILSON: Thank you for calling me. Do you have anything to  
16 tell me?

17 MS. FERBER: Well, well, I mean, look, I -- there isn't a lot to  
18 say. I, you know, look, I, I -- certainly the way we look at  
19 it -- first of all, obviously, we did not know who the customer  
20 was, as we shouldn't have known in this.

21 MR. WILSON: No, actually, you should know who the customer is.

22 MS. FERBER: No, because this was meant to be a clear trade.

23 MR. WILSON: Yeah --

24 MS. FERBER: We didn't know the customer.

25 MR. WILSON: Because just as on ClearPort -- this is basically  
26 mimic ClearPort, okay? And on ClearPort when you do the trade  
27 with the broker, initially you don't know. And then the broker  
28 has to tell you who it is because for a nanosecond you have an  
29 OTC transaction on.

WILSON/FERBER TELEPHONE CONVERSATION  
FRIDAY, FEBRUARY 4, 2011

2

1 MS. FERBER: Yeah, we don't. Well, you say for a nanosecond,  
2 okay.

3 MR. WILSON: For a nanosecond. And then you, you turn in --  
4 you, you turn it into the Exchange and wave a magic wand, and it  
5 becomes a cleared transaction.

6 MS. FERBER: So, yeah, so you're -- that may be.

7 MR. WILSON: The NYMEX actually, cracked down on us if that  
8 information

9 MS. FERBER: Uh-huh.

10 MR. WILSON: -- the counterparty, is not contained on the  
11 confirms. The broker is actually required to disclose the  
12 counterparties there, and they make a big deal about it.

13 MS. FERBER: Yeah, I don't believe they did on the confirm we  
14 got.

15 MR. WILSON: I didn't see it on the confirm either.

16 MS. FERBER: Yeah.

17 MR. WILSON: But in every trade that we've done, they've always  
18 told us after the trade was consummated who the other side was  
19 for that exact reason, because we're supposed to know.

20 MS. FERBER: Okay, see, none of those things happened here  
21 and, and --

22 MR. WILSON: But, I, mean, did you ask them?  
23

24 MS. FERBER: No, I don't believe so, and I don't --

25 (Telephone ringing)

26 MS. FERBER: -- wait, wait, wait, wait. I don't think people  
27 would have expected that to be the process here. So, I'll  
28 gather some more facts on that, okay? But my understanding is  
29 the terms of the trade, and we've done it with, with Newedge  
30 before, are that the trades have to be cleared. There is not  
31 trade if it's not cleared. So, in fact you actually never have  
32 that, that nanosecond, you know, event thing, but, but I  
33 understand it for confirmation purposes that's how you treat it  
34 because of the EFF thing and stuff like that. So, you know, so,

WILSON/FERBER TELEPHONE CONVERSATION  
FRIDAY, FEBRUARY 4, 2011

3

1 so, you know, I will look at that. But I'm just telling you  
2 that honestly we did not know who it was, okay? So, that's just  
3 one thing. The terms were it had to be, it had to be cleared.  
4 And look what happened here really is that, you know, for the,  
5 you know -- first off, we really did knock ourselves out to with  
6 like seven minutes, you know, to get in the form and extend the  
7 limits and all of that, very genuinely pursuing this. When it  
8 didn't come in, you know, that afternoon and the next day,  
9 people got really nervous, and they got nervous because for the  
10 same reasons we started looking -- we start looking at these  
11 numbers and some of the patterns of trading or of numbers on  
12 the, on the Exchange and got nervous. And when it didn't come  
13 in, Peter said, you know, oh, I really think I don't have a  
14 trade, because for the same reason the clearing member or the  
15 customer got nervous about this, and this isn't clearing. And  
16 the only information he was getting was we don't have a clear  
17 trade.

18 MR. WILSON: Okay. Laurie --

19 MS. FERBER: So, that, you know, that stuff you're telling me  
20 about, you know, about the timing and everything else --

21 MR. WILSON: Let's just take a time out here.

22 MS. FERBER: Uh-huh.

23 MR. WILSON: Okay, I understand you are wearing your hat as  
24 legal counsel of MF Global.

25 MS. FERBER: I'm not, I'm not even. I truly, truly am not. I  
26 am truly -- let's put it -- if anything, I'm like -- I mean yes,  
27 you, you should view it as that, but this is my, just my senior  
28 management role here. Did we do the right thing? How are we  
29 handling this situation? I have some young lawyer looking at  
30 all that stuff he ought to look at and stuff. So, I'm talking  
31 to you more as a relationship, and I'm just telling you very  
32 honestly how we look at it, and I'll tell you, you know, all the  
33 hair on it, so.

34 MR. WILSON: Okay, well, I, I have a, a wildly different  
35 perspective on it.

36 MS. FERBER: Uh-huh.

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1 MR. WILSON: So, I have -- and, you know, we'll go ahead and  
2 pull all the tapes and get all of the documentation that flowed,  
3 and all the communication, us and Newedge, and we'll compile it.

4 MS. FERBER: With Newedge, not with us, right, but that's fine.

5 MR. WILSON: I'm sorry?

6 MS. FERBER: You mean they're not with us. They're between you  
7 and Newedge.

8 MR. WILSON: No, no, no, a lot just is with MF, between Newedge  
9 and MF.

10 MS. FERBER: You have tapes between us and Newedge?

11 MR. WILSON: No, I --

12 MS. FERBER: Because that would be a violation of law.

13 MR. WILSON: Newedge has --

14 MS. FERBER: Well, by the way, I do not think Newedge -- I mean,  
15 by the way, there's no way they would just would give them to  
16 you. Think about that, but it's, you know, there are all those  
17 taping laws and stuff, so that's just surprising to me.

18 MR. WILSON: Oh, okay. So, so, yeah, I don't know what they can  
19 and can't do, okay. But, you know, what we intend to do is to  
20 compile a timeline, and Newedge will compile a timeline. And,  
21 and, you know, whatever information can be shared will be  
22 shared, and we'll be happy to share it with you as well. But  
23 it's -- Newedge, the broker who did the trade with MF  
24 communicated to the trader that the, you know, that the trade  
25 was good, that the limits were being increased. Obviously,  
26 there was a blizzard here, and so the person at Newedge who  
27 needed to sign the stuff was not in the office. Newedge offered  
28 to have somebody else sign it. IDCG said no, they're not an  
29 authorized signatory, but don't worry about; just get it in  
30 tomorrow. This is IDCG's chief risk officer.

31 MS. FERBER: This is what you're hearing from Newedge, and that  
32 is what I heard from Newedge. That -- I don't not think IDCG  
33 totally agrees with those facts.

34 MR. WILSON: Okay. And --

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1 MS. FERBER: I only know it from you and Newedge that --

2 MR. WILSON: Yeah, yeah.

3 MS. FERBER: -- you know, there is another piece of this, but I  
4 do not know what that is.

5 MR. WILSON: The -- here, let me put it another way. If, if I  
6 ever have a trade, if I've done a trade, I know I've done the  
7 trade; I've confirmed the trade, okay? And then for whatever  
8 reason the trade hasn't cleared, I take -- I go through great  
9 pains before I would ever assume that that trade is no good,  
10 including find out who the counterparty is, talking to the  
11 counterparty, talking to the broker. I, I would take many steps  
12 because I would know the gravity of the situation of taking my  
13 hedge off and DK'ing the trade. And in my 22 years in this  
14 industry, I have seen this happen once, only once before. It  
15 happened in the Eurodollar options pit in like 1998, and the guy  
16 who did it was exiled, okay? And I view this in exactly the  
17 same light.

18 MS. FERBER: Well, look, Don, I understand. You've said that; I  
19 heard what you said to Peter yesterday. And let me think of  
20 what -- I want to say this to you right, and I really do -- I  
21 really -- I think there is some alignment on this. You know, we  
22 reacted -- Peter reacted genuinely -- out of a genuine concern  
23 that there's something, there's something fishy here, and the  
24 other side must think that because that's why this trade didn't  
25 clear. This is a very big trade. We would expect this to clear  
26 right away. And Newedge is a big shop, and they're very capable  
27 of handling this, you know. So, so, they should have been, you  
28 know, making sure this cleared. So, I think -- I do think you  
29 have a problem with Newedge, you know, more than you have a  
30 problem with us. But what I want to say carefully is those  
31 things, those very things that made us nervous about it -- look,  
32 yesterday you were saying things about -- casting, you know.  
33 You know, I'll, I'll, I'll go out and tell everybody all these  
34 horrible things about MF Global. I, I will -- I'd like to  
35 assume that was just a peek; I hope that doesn't happen. I feel  
36 very strongly it shouldn't happen for both of us for a  
37 different -- for another reason, which is, look, I respect you  
38 tremendously, you know. What I've said to my guys is, is I  
39 assume these trades were very kosher. John -- you know, Don  
40 would not be doing anything that wasn't. I don't know about his  
41 team, but I assume everybody that works for him the same. You  
42 know, if I were to say oh, we heard good things from Kevin from,